

## **ATTACHMENT 6**



Pillsbury Winthrop Shaw Pittman LLP  
50 Fremont Street | San Francisco, CA 94105-2228 | tel 415.983.1000 | fax 415.983.1200  
MAILING ADDRESS: P. O. Box 7880 | San Francisco, CA 94120-7880

Gerald F. George  
tel 415.983.1056  
gerald.george@pillsburylaw.com

July 1, 2009

Pamela C. Creedon  
Executive Officer  
California Regional Water Quality Control Board  
Central Valley Region  
11020 Sun Center Drive, #200  
Rancho Cordova, CA 95670-6114

**Response of Homestake Mining Company of California to Revised Draft  
Cleanup and Abatement Orders for the Elgin Mine, the Wide Awake Mine and  
the Central Mine, et al, Colusa County**

Homestake has received from the Regional Water Quality Control Board for the Central Valley (Regional Board), draft Revised Cleanup and Abatement Orders (CAOs), addressing abandoned mercury mining sites located along Sulphur Creek in Colusa County, California. By follow-up letter, dated May 29, 2009, the Regional Board requested initial comments on the draft CAOs by July 1, 2009. By this letter, Homestake comments on the Regional Board's inclusion of Homestake as a responsible party under the three CAOs, as well as on the terms of the draft CAOs.

**Nature of Homestake's Involvement**

Homestake has previously provided the Regional Board with letters summarizing its involvement with each of the three sites. (Attachments A, B and C). On June 24, the Board replied, stating that it "generally agreed" with Homestake's characterization of the mining history. In sum, that history shows that Homestake has had no involvement in the mining activities giving rise to the Regional Board's concerns at Sulphur Creek:

- The draft CAOs and the Board's own reports and supporting documentation confirm that the mining operations and associated waste rock and tailings that are the focus of the draft CAOs largely represent activities during the 1870's

and there has been little or no active mining at any of these sites for at least a half century.

- Homestake did not operate mines at any of the three sites. Homestake's involvement along Sulphur Creek was a century later, and involved limited exploration activities, not mining, during the period from 1978-1992.

The Board's reply continues to assert that Homestake's involvement with the three areas covered by the CAOs contributed to the mercury in the creek. Briefly stated, the Regional Board response asserts that exploratory work, including related road work, might well have contributed to erosion and increase mercury discharge to Sulphur Creek. As requested by the Board's June 24<sup>th</sup> letter, Homestake will be providing further information on those activities by July 24, 2009, so the impact of any exploration work at the Wide Awake Mine or on the parcel including the Central and other mines will be subject to further discussion.

Moreover, as the Regional Board's own reports on Sulphur Creek and Bear Creek repeatedly recognize, whatever the impact of erosion from areas of mining waste in the Sulphur Creek watershed, that is far from the only source of mercury to the creek given the naturally enriched soils along the creek and the abundant discharges of mercury and other metals from hot springs throughout the watershed. Indeed, a Phase I environmental assessment of the Central Mine, et al. parcel, was carried out in 1997 for the American Land Conservancy, by Erler & Kalinowski, Inc., in connection with Homestake's transfer of the property to the Conservancy subject to a conservation easement. The report (Attachment D) includes the observations of William Croyle, a Regional Board engineer, who accompanied the consultant on a survey of the property. The report noted the absence of adit flow or talus slopes associated with the abandoned mines, and included Mr. Croyell's opinion that the mercury in Sulphur Creek did not appear to be from the former mining operations but was more likely from the naturally-occurring geothermal activity. (Report, p. 5).

In this response, Homestake reiterates that whatever the impact of its activities at the various sites, they were no different than those of other landowners and lessees given notice by the Regional Board, and were relatively insignificant in duration, scale and certainly in potential for discharge of mercury to Sulphur Creek. Homestake's exploration activities were not extensive and involved rock and soil sampling and some drilling, with limited surface disturbance. The activities were also carried out under appropriate permits issued by the County and the State, with any drilling activities followed by reclamation and revegetation of any disturbed areas.

Homestake also unequivocally asserts that it has no liability with respect to the mine and mining waste addressed by the Elgin Mine CAO. Contrary to the assertion in the June 24<sup>th</sup> letter, Homestake did not have any lease giving it "exclusive possession of the [Elgin] mining property." Homestake had no lease on the Elgin Mine property. While its mining exploration and development lease with Terhel Farms and Bonneville Industries listed the general area in which the Elgin mine is located, the two patented mining claims on which the Elgin Mine and its retort were located were not covered by the lease, but were separately owned and controlled by another party. During that period when Homestake was engaged in limited exploratory work in the area, its personnel contacted the owner of the patented mining claims covering the Elgin Mine site, but were unable to negotiate an exploration lease for the property.<sup>1</sup>

---

<sup>1</sup> Certainly the Lucientes family thought it held title to those two parcels. Documents in the Regional Board file for the Elgin Mine show that title was held by the Lucientes family, which transferred title, subject to a right of reverter, to a third party in 1971, with title then reverting to the Lucientes in 1978, and Richard Lucientes quitclaimed his interest in the claims to Jose Lucientes in 1998. Attachment E. Maps associated with the Terhel Farm lease (also found in the Regional Board file) and the terms of the lease itself indicate that the parcels were not included (Attachment F). Homestake's involvement with the Elgin is summarized in the Homestake memoranda attached as Attachments G and H, with the latter memo summarizing its contacts as follows:

The Elgin Mine is located principally on a nineteen acre patented mining claim in the southwest quarter of section 13, T 14 N, R6W. Also considered a part of the Elgin Mine is a 4.95 acre patented millsite located east of the lode patent and in the same quarter section. These two potential claims are owned by brothers Jose M. Lucientes, Jr. and Richard B. Lucientes, however, in a 1983 title report on the property, Mike Perenon notes that there are three distinct problems with the title ....

The two potential claims are completely surrounded by property owned by Bonneville Industries (ex-Terhel Farms ground) of Sacramento, California, and controlled by Homestake as part of the Cherry Hill land package. This property totals 176 acres and includes the remaining portions of the southeast ¼ of section 13, and the entire southeast ¼ of the southwest ¼ of section 13.

\* \* \* \* \*

Homestake's current land acquisition activity involves trying to negotiate a mining lease agreement with the Lucientes brothers. After four years of contacting Jose in an unsuccessful effort to persuade him to discuss the matter with us, he finally relented in early 1987 to talk to Homestake about a deal. Negotiations by Jerry Carr went smoothly for a while, but stalled when Jose became increasingly unavailable for discussions. Currently, the negotiations are at a standstill, and it seems possible that a deal may never be reached with the Lucientes.

**Accordingly, Homestake again requests that the Regional Board delete any reference to Homestake should it issue a CAO for the Elgin Mine.**

Homestake also questions whether its limited involvement with the areas covered by the other draft CAOs would support liability under State law for discharging mercury to Sulphur Creek, or causing or contributing to a condition of pollution. Certainly, Homestake has had very limited connection with those two locations in terms of length of time and in terms of the nature of its involvement with the mines and mining waste. Under any reasonable and objective set of criteria for division of liability, Homestake would be little different than any of the twenty or more other parties given notice by the State. However, rather than litigate now over defenses to any liability, Homestake would prefer to enter into discussions with the Regional Board and the other recipients of the draft CAOs to develop an appropriate non-litigated resolution addressing the mining waste concerns that are the subject of those draft CAOs.

For any cooperative approach to be successful, however, it is important that the Regional Board recognize that it cannot place the burden of addressing the mining waste at Sulphur Creek on one or a small number of entities – over twenty other parties have been given notice by the Regional Board, and there are also other federal, State and local governmental agencies that have engaged in various activities potentially affecting mercury releases in these areas. If this effort is to be successful, all of these parties must share responsibility for addressing those problems.

In the expectation that the parties will be able to develop a cooperative arrangement, Homestake offers the following additional comments on the draft CAOs. Homestake's comments in this response apply generally to each of the three draft CAOs, in as much as each of them addresses mercury contamination within the Sulphur Creek watershed. Consistent with Homestake's view of its potential liability stated above, in providing comments, Homestake does not admit, and expressly denies, that it has engaged in any activity that would make it liable under State law for any discharge of contamination or any condition of pollution in Sulphur Creek or at the Elgin, the Wide Awake or the Central Mine, et al. sites.

#### **Comments on the Draft CAOs**

##### **1. Timelines.**

**The proposed timeline in the CAOs is unrealistic and must be substantially extended to allow the parties an opportunity to coordinate and develop a thorough Conceptual Site Model which will define the**

**studies required to characterize and quantify mercury loading to Sulphur Creek from the various sources.**

The draft CAOs as now drafted require a full site characterization and proposed evaluation and implementation of remedial options at all three sites. While the draft CAOs each incorporate a multi-year timeframe commencing with cleanup and abatement completed within three years (tentatively set as December 31, 2011 in the drafts), the dates for the initial characterization of the mining waste, including the determination of background levels, is set for mid-October, 2009. The draft CAOS, and the underlying TMDL reports produced for the Regional Board all indicate that the existing information identifying sources and estimating volume contribution to Sulphur Creek is inadequate, and that a more formal process must be undertaken, beginning with development of and agreement upon a Conceptual Site Model which would identify all potential sources of mercury to the creek and provide a framework for quantification of these sources. Given that any surface work would be limited to the dry season, the proposed timeline is unrealistic and must be substantially extended.

From the representations of the staff of the Regional Board at the May 6<sup>th</sup> meeting and in subsequent discussions, Homestake understands that site characterization is critical to achievement of the objectives of the CAOs and effective implementation of remediation at these sites. The first step in preparing a reliable site characterization, however, is development and agreement of all parties on a Conceptual Site Model addressing all of the mercury sources to the creek. If the site characterization begins without that initial agreement, we risk continuing disputes over the adequacy of characterization efforts as the parties move through a multi-year process.

The CAOs are intended to initiate implementation of the TMDL Report for Sulphur Creek. That Report identifies several sources of mercury – both anthropogenic and natural – to Sulphur Creek, and identifies an approach toward mercury cleanup and management that begins with, but does not end with, addressing the existing mine waste as a source of that mercury. In the course of discussing the inputs of mercury to the creek, that TMDL Report, consistent with the many underlying technical studies of Sulphur Creek, Bear Creek and the larger Cache Creek Watershed, acknowledges the uncertainty in many of the estimates of mercury loading to the Creek. The CAOs also call for characterization studies as a prelude to development of cleanup plans intended to meet a target for mercury levels in Sulphur Creek.

Accordingly, the Regional Board should delay setting the deadline for preparation of the workplan for site characterization to allow time for the noticed parties to form a joint effort to fund and develop an adequate Conceptual Site Model. It should then establish the timeline for development and implementation of a site characterization plan after that Conceptual Site Model has been submitted to and approved by Regional Board staff, i.e., when there is a better appreciation of the level of effort required to properly address coordinated site characterization at all of the locations along Sulphur Creek.

## **2. Determination of Background.**

**A critical initial step in the investigative process under these orders should be the characterization of all sources of mercury loading to Sulphur Creek, including reliable estimates of loading from natural background and non-mining anthropogenic sources.**

The CAOs adopt the TMDL objective of returning the Sulphur Creek watershed to pre-mining baseline conditions. The TMDL Report identifies better estimates of background soil mercury concentrations as a "first step" in the development of a cleanup plan." (TMDL, p. 31), and the draft CAOs incorporate characterization of background levels as a central part of the mining waste characterization. (CAO's pars. 2, 5, 9) That first step should include not simply better characterization of background mercury concentrations, but also a much better understanding of the significance of mining waste in relation to natural and other anthropogenic activities in contributing mercury to Sulphur Creek.

That level of characterization is required if the Regional Board is going to develop an appropriate response through this CAO. Certainly we need to know what mining waste is there, what pathway exists for mercury in that waste to reach the creek, the conditions under which mercury in that waste would move down that pathway, and in what volumes. Without that information, we cannot know what impact removing the waste or the pathway would have in terms of loading to the stream.

But if the objective of the CAO is to return Sulphur Creek to pre-mining conditions, we need to have greater certainty than the current reports provide regarding the total mercury level in Sulphur Creek contributed by mining. We will have little assurance that time and money expended addressing the existing mining waste will improve conditions in the creek without significantly better information not just on the fate and transport of mercury

from the mining waste, but also on the mercury contributions from other anthropogenic activities and natural processes.

This is not because little is known about general conditions in the Sulphur Creek Watershed. It is because the level of contribution now assumed ignores or does not give appropriate weight to several characteristics central to effective management of mercury within the Sulphur Creek watershed.

- Sulphur Creek is an intermittent stream, with continuous flow in the fall and winter months, but no or only sporadic flow in the rest of the year, e.g., the staff reports that there is no surface flow in Sulphur Creek upstream of the West End mine in the summer. (Amendment to Basin Plan for Sulphur Creek WQO, p. 9) The base stream flow from April to November comes from geothermal springs and totals less than 2 cfs (TMDL report, p. 22).
- The natural quality of the water in the creek is poor. As the Regional Board staff acknowledged at the May 6<sup>th</sup> meeting, the draft CAO was in error in identifying the beneficial uses of Sulphur Creek, and the staff agree that the beneficial uses are highly limited due to the natural quality of the water, and do not include municipal, domestic or industrial water supply, or habitat for fish.<sup>2</sup>
- The Sulphur Creek watershed is a highly mineralized zone, with mercury and other metals entering the creek from geothermal springs and erosion of non mine related soil and rock naturally high in metals.
- The geothermal springs are significant contributors to the total mercury load to Sulphur Creek. (TMDL report, pp. 22-23.) The TMDL reports also identify other anthropogenic factors, e.g., erosion due to road cuts, road maintenance and grazing, and atmospheric deposition, as significant contributors of mercury. However, the reports quantify those factors only very generally, and, in estimating the contribution from hot springs located throughout the watershed,

---

<sup>2</sup> "Sulphur Creek has never supported these uses [the beneficial uses of municipal and domestic water supply (MUN) and human consumption of aquatic organisms] due to naturally occurring conditions that prevent them from being attained." Staff Report on Amendment of Basin Plan, p. 3.



used only the potential surface flows from the hot springs, which may represent a minor portion of the actual contribution from those sources to Sulfur Creek.

- The existence and volume of mine waste is identified at several locations within the watershed, but those locations are in some cases well away from the streambanks, so that contribution of mercury from the waste rock or tailings to the stream, if it occurs at all, would take place only after very heavy storm events. Where the waste or tailings piles are near the streams, they are often characterized as “vegetated,” which would also significantly reduce the erosion of mercury-bearing waste into the creek.<sup>3</sup> Accordingly, depending on the particular location, the removal or sequestration of the identified material may have little or no impact on the mercury loading in Sulphur Creek.

In sum, while there may be no question that mining waste is a source of mercury to Sulphur Creek, there is also no question that it is only one of several sources, and the proportions contributed by each are uncertain and are likely highly variable. The total mercury loading estimates cited in the draft CAOs give an appearance of certainty to estimates that, in the original documents, are more properly considered qualitative than quantitative, presenting broad ranges based on assumptions that may not be well-founded given the actual conditions at the sites.<sup>4</sup> Reliance on those estimates would create a high likelihood that attaining the “goal” – a return to pre-mining conditions in terms of mercury entering the creek<sup>5</sup> – will not produce the

---

<sup>3</sup> As the TMDL report itself states, “the actual amount of mercury delivered to the creek from all runoff is unknown,” not least because the amount of mercury actually entering Sulphur Creek can be affected by the fact that “erosion from these features may be immobilized by grass cover and redeposit on the hillsides.” TMDL Report, p. 18.

<sup>4</sup> The estimates of mercury contribution from various sources often cover an order of magnitude from low to high. See, e.g., estimates from two reports on mining contribution in Table 4-1 of the 2003 TetraTech Engineering Evaluation and Cost Analysis for the Sulphur Creek Mining District.

<sup>5</sup> “The goal for the mine sites is to eliminate all mercury inputs affected by mining.” (TMDL Report, p. 38.) The Report further states that reducing total mercury is intended to allow achievement of the methylmercury goals for fish in Bear and Cache Creeks. (TMDL Report, p. 39). The difficulty in remedy selection resulting from uncertainty about the volume of mercury entering the creek from mine waste sources is compounded by the lack of correlation between reductions in total mercury in sediment and reductions in the level of methylmercury in fish tissue.

targeted reduction of mercury levels in the creek surface water, simply because the mining waste may well not have been the source of the assumed 78% of the mercury entering the creek in this watershed (Table 5.1, TMDL Report).

### 3. Scope of the CAOs.

**The provisions in the Wide Awake and Central Mine orders requiring plans to address "all remaining anthropogenic mercury impacts on Sulphur Creek" should be deleted from the proposed orders.**

These CAOs solely address historical mining operations, and are based solely upon releases from the mining waste located upon the properties and their impact on Sulphur Creek. It is not appropriate for these orders to require that parties addressing the mining waste also be saddled with addressing all remaining anthropogenic mercury impacts on Sulphur Creek, once any existing mining waste is removed or sequestered, as now proposed in two of the three draft CAOs (Par. 14 of the Orders for the Wide Awake and Central Mine, et al. Revised Draft CAOs).<sup>6</sup> The critical first step in the implementation of the CAO should be to come up with reliable estimates of mercury loading to Sulphur Creek for mining, other anthropogenic sources, and natural sources. With that information, remediation of the mining waste can be appropriately addressed.

Once the mining remedy has been implemented and evaluated, the Regional Board can make an informed determination and, if it finds it is necessary, issue a separate order addressing whether further action on other anthropogenic or natural sources ought to be required, and what parties should be responsible. In the alternative, it can address through separate orders now the implementation of restrictions on current activities in the watershed, such as limitations on grazing, or requirements for road maintenance and slope stabilization which properly should be the responsibility of the current landowners.

---

<sup>6</sup> Without explanation, the order in the Revised Draft CAO for the Elgin Mine, which otherwise tracks the other two draft CAO's, does not include that provision.

## Conclusion

Homestake is willing to work with the Regional Board staff and the other noticed parties to address the issues raised in the draft CAOs about mercury loading from mining waste in the Sulphur Creek watershed. However, Homestake expects that this would be a joint effort by all of the parties, and that it will be appropriately designed and implemented to achieve the specific objectives of those orders.

Nothing in the many reports on Sulphur Creek suggests a need for immediate removal of all mining waste to protect human health and the environment from mercury in the Sulphur Creek watershed. The initial efforts toward implementation should build on the existing body of information to establish an agreed Conceptual Site Model and then more completely and reliably characterize the background soil levels and hot springs input, as well as the mining waste piles, and the erosion processes operating along the creek. With that information, the Regional Board, working with all parties, can determine the most cost effective approach and the most fair allocation of responsibility for addressing the issue of mercury present from both natural and anthropogenic sources in the watershed.

Respectfully submitted:



Gerald F. George  
Pillsbury Winthrop Shaw Pittman LLP

Counsel for Homestake Mining Company of California

cc: Patrick Palupa, Esq.  
Victor J. Izzo  
Patti Turner

# Attachment A



Pillsbury Winthrop Shaw Pittman LLP  
50 Fremont Street | San Francisco, CA 94105-2228 | tel 415.983.1000 | fax 415.983.1200  
MAILING ADDRESS: P. O. Box 7880 | San Francisco, CA 94120-7880

Gerald F. George  
tel 415.983.1056  
gerald.george@pillsburylaw.com

April 23, 2009

Victor Izzo  
Senior Engineering Geologist  
California Regional Water Quality Control Board  
Central Valley Region  
11020 Sun Center #200  
Rancho Cordova, CA 95670-6114

Re: Draft Cleanup and Abatement Order – Elgin Mine, Colusa County

Dear Mr. Izzo:

Homestake Mining Company of California (Homestake) has received notification that the deadline for comments on the draft Cleanup and Abatement Order (CAO) for the Elgin Mine has been extended to May 20, 2009. We appreciate your courtesy in extending the response deadline and providing the opportunity for prior discussion with the Regional Board staff and other notified parties at the Regional Board's offices on May 6.

To facilitate discussion with the Regional Board and the other notified parties, Homestake is providing now its understanding of Homestake's involvement at the Elgin Mine. If the Regional Board or other notified parties have a different understanding of the facts, it would be useful to have the basis for that different view provided to us in advance of the May 6<sup>th</sup> meeting in Sacramento.

As recited in the draft CAO, the Elgin Mine is identified as an abandoned mercury mine, retort, and associated mine waste areas adjacent to a tributary leading to Sulphur Creek. Active mining commenced in the 1870's, and ended by the early 1900's, and the report indicates that the great majority of all mercury production from the mine was in the 1870's.

The Elgin Mine is located on two patented mining claims which appear to total approximately thirty acres, located adjacent to Sulphur Creek. The total disturbed surface area at the Mine is estimated in the draft CAO at 5 acres. Homestake Mining has never operated the Elgin Mine, nor has it owned or leased the property on which

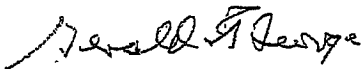
Victor Izzo  
April 23, 2009  
Page 2

the Elgin Mine is located. Homestake did hold a mining exploration and development lease signed with Trehel Farms in 1978 and terminated in 1992. The areas covered under that lease included parcels adjacent to the Elgin claim, but not the Elgin claim itself. Homestake thus was never involved on the Elgin parcels, having been refused access by the owners.

Please feel free to contact me if you have any questions about this matter.

Your cooperation is greatly appreciated.

Sincerely,

  
Gerald F. George

cc: Patrick Pulupa, SWRCB  
David Lawler, USBLM  
Patti Turner, Colusa County Resources Conservation District  
Michael J. Morrison, Bailey Minerals Corporation  
Richard Coombs, Bonneville Industries, Inc., A California Corporation  
Larry L. Asera, Asera Western Corporation  
Robert Hunter, Terhel Farms, Inc.  
Anthony Smernes, Filiatra, Inc.  
Jose M. Lucientes  
James P. Pace, Bonneville Industries, Inc., A Nevada Corporation  
Jose M. Lucientes c/o Kevin McAnallan  
Lorne M. Buchman, Humanistic Psychology Institute

# Attachment B



Pillsbury Winthrop Shaw Pittman LLP  
50 Fremont Street | San Francisco, CA 94105-2228 | tel 415.983.1000 | fax 415.983.1200  
MAILING ADDRESS: P. O. Box 7880 | San Francisco, CA 94120-7880

Gerald F. George  
tel 415.983.1056  
gerald.george@pillsburylaw.com

April 23, 2009

Victor Izzo  
Senior Engineering Geologist  
California Regional Water Quality Control Board  
Central Valley Region  
11020 Sun Center #200  
Rancho Cordova, CA 95670-6114

Re: Draft Cleanup and Abatement Order – Wide Awake Mine, Colusa  
County

Dear Mr. Izzo:

Homestake Mining Company of California (Homestake) has received notification that the deadline for comments on the draft Cleanup and Abatement Order (CAO) for the Wide Awake Mine has been extended to May 20, 2009. We appreciate your courtesy in extending the response deadline and providing the opportunity for prior discussion with the Regional Board staff and other notified parties at the Regional Board's offices on May 6.

To facilitate discussion with the Regional Board and the other notified parties, Homestake is providing now its understanding of Homestake's involvement at the Wide Awake. If the Regional Board or other notified parties have a different understanding of the facts, it would be useful to have the basis for that different view provided to us in advance of the May 6<sup>th</sup> meeting in Sacramento.

As recited in the draft CAO, the Wide Awake Mine is identified as an abandoned mercury mine and associated mine waste areas adjacent to a tributary leading to Sulphur Creek. Active mining at the Wide Awake commenced in the 1870's, and may have ended by the early 1900's. There is no indication of any mining operations since 1943, and the report indicates that the great majority of all mercury production from the mine was in the 1870's.

Homestake Mining has never owned the property on which the Wide Awake is located, and has never operated a mine on that property. Homestake did sign a



Victor Izzo  
April 23, 2009  
Page 2

mining exploration and development lease with Trebilcot Trust in 1978, which included the area on which the Wide Awake is located. That lease expressly allowed the landowner to lease the land to others for non-mining related activities, including geothermal activities, oil and gas exploration and development and grazing.

Pursuant to its lease, Homestake did conduct limited exploration activities in the area of the Wide Awake. No exploration activities were carried out after 1991, and any drilling conducted in connection with that exploration was done under State and County permits, with all required reclamation completed at the conclusion of drilling. Nothing in Homestake's files indicates that the drilling resulted in any disturbance of the mine waste or increased movement of mine waste into the waters of the State.

Homestake has had no involvement with the Wide Awake area since the termination of the Trebilcot lease in 1993.

Please feel free to contact me if you have any questions about this matter.

Your cooperation is greatly appreciated.

Sincerely yours,

  
Gerald F. George

cc: Patrick Pulupa, SWRCB  
David Lawler, USBLM  
Patti Turner, Colusa County Resources Conservation District  
Rashid Qureshi, Cal Sierra Properties  
Emma G. Trebilcott Trust  
Beverly M. Mills, Glen Mills, Inc.  
Robert and Jill Leal  
Terri King Brown  
NBC Leasing, Inc.  
David G. Brown  
Leah C. Tate  
Charles Millard Tracy  
Roy Tate  
Janet Dee Tracy  
Kevin M. Garcia, Merced General Construction, Inc.  
James Dale Whiteaker  
Sally C. Whiteaker

# Attachment C



Pillsbury Winthrop Shaw Pittman LLP  
50 Fremont Street | San Francisco, CA 94105-2228 | tel 415.983.1000 | fax 415.983.1200  
MAILING ADDRESS: P. O. Box 7880 | San Francisco, CA 94120-7880

Gerald F. George  
tel 415.983.1056  
gerald.george@pillsburylaw.com

April 23, 2009

Victor Izzo  
Senior Engineering Geologist  
California Regional Water Quality Control Board  
Central Valley Region  
11020 Sun Center #200  
Rancho Cordova, CA 95670-6114

Re: Draft Cleanup and Abatement Order – Central, Cherry Hill, Empire,  
Manzanita, and West End Mines, Colusa County

Dear Mr. Izzo:

Homestake Mining Company of California (Homestake) has received notification that the deadline for comments on the draft Cleanup and Abatement Order (CAO) for the Central Mine, et al. (hereafter the Bailey Minerals parcel) had been extended to May 20, 2009. We appreciate your courtesy in extending the response deadline and providing the opportunity for prior discussion with the Regional Board staff and other notified parties at the Regional Board's offices on May 6.

To facilitate discussion with the Regional Board and the other notified parties, Homestake is providing now its understanding of Homestake's involvement at the Bailey Minerals parcel. If the Regional Board or other notified parties have a different understanding of the facts, it would be useful to have the basis for that different view provided to us in advance of the May 6<sup>th</sup> meeting in Sacramento.

As recited in the draft CAO, the area of concern on the Bailey Minerals parcel is identified as two groups of abandoned mercury and/or gold mines, including remnants of abandoned ore processing facilities and associated mine waste areas, adjacent to, but in most instances some distance from, Sulphur Creek, and located in the Wilber Springs hydrothermal area. Active mining commenced at the Central and Empire Mines in the late 1800's, with no significant production after the early 1900's and no record of production after 1942. The Manzanita/Cherry Hill/West End complex produced gold from 1863 to 1902, and the Manzanita was operated as a mercury mine

Victor Izzo  
April 23, 2009  
Page 2

from 1902 until 1942. There is no record of mining operations at any of these facilities after 1942.

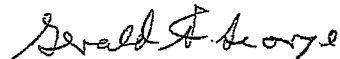
Homestake Mining has never operated any mines on the Bailey Minerals parcel. In 1978, Homestake purchased the Bailey Minerals parcel, on which some or all of these mines are located, and conducted limited exploration activities. No exploration activities were carried out after 1991, and any drilling conducted in connection with that exploration was done under State and County permits, with all required reclamation completed at the conclusion of drilling. Nothing in Homestake's files indicates that the drilling resulted in any disturbance of the mine waste or increased movement of mine waste into the waters of the State.

In 1999, Homestake placed a conservation easement on the Bailey Minerals parcel and transferred ownership of the parcel to the American Land Conservancy, and has held no fee or leasehold interest in the property since that time.

Please feel free to contact me if you have any questions about this matter.

Your cooperation is greatly appreciated.

Sincerely,

  
Gerald F. George

cc: Patrick Pulupa, SWRCB  
David Lawler, USBLM  
Patti Turner, Colusa County Resources Conservation District  
Michael J. Morrison, Bailey Minerals Corporation  
Cordero Mining Company  
Robert Hunter, Terhel Farms, Inc.  
Richard L. Miller  
Magma Power Company  
Ralph W. Newcombe, Holliday Foundation, Inc.  
Daniel Gautschi, Sunoco Energy Development Company  
Richard Coombs, Bonneville Industries, Inc., A California Corporation  
Anthony Smernes, Filiatra, Inc.  
Larry L. Asera, Asera Western Corporation  
Kerry O'Toole, American Land Conservancy  
Dr. Richard L. Miller  
Richard Davis

# Attachment D

PHASE I PRELIMINARY  
ENVIRONMENTAL SITE ASSESSMENT  
FOR PROPERTY REFERRED TO AS THE  
HOMESTAKE MINING PARCEL  
COLUSA COUNTY, CALIFORNIA

18 SEPTEMBER 1997  
EKI 970066.00

**Erler &  
Kalinowski, Inc.**

Consulting Engineers and Scientists

1730 So. Amphlett Blvd., Suite 320  
San Mateo, California 94402  
(415) 578-1172  
Fax (415) 578-9131

18 September 1997

Ms. Nancy Stryble  
Director of Development  
American Land Conservancy  
456 Montgomery Street, Suite 1450  
San Francisco, California 94104

Subject: Phase I Preliminary Environmental Site Assessment for  
Property Referred to as the Homestake Mining Parcel  
in Colusa County, California  
(EKI 970064.00)

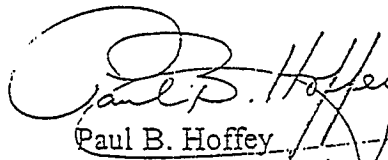
Dear Ms. Stryble:

Erler & Kalinowski, Inc. ("EKI") is pleased to present to the American Land Conservancy ("ALC") the attached report entitled *Phase I Preliminary Environmental Site Assessment for Property Referred to as the Homestake Mining Parcel in Colusa County, California*, dated 18 September 1997. The work was performed in accordance with the Agreement between EKI and ALC dated 9 June 1997. The attached report is for the sole use of ALC. Unless specifically authorized by EKI, use of or reliance on the attached report by any other entity is not permitted or authorized.

Thank you for the opportunity to work with you on this project. Please call if we can be of further assistance.

Very truly yours,

ERLER & KALINOWSKI, INC.

  
Paul B. HOFFEY  
Project Manager

attachment

## 1.0 EXECUTIVE SUMMARY

Erler & Kalinowski, Inc. ("EKI") performed a Phase I environmental site assessment for approximately 155 acres referred to as the Homestake Mining Parcel in Colusa County, California (see Figure 1). The following is a summary of the results of the assessment.

### Inactive Gold and Mercury Mines on Subject Property

Elevated concentrations of mercury reportedly have been detected in the waters of Cache Creek. Cache Creek receives water from Sulphur Creek, which crosses the subject property. Several inactive gold and mercury mines are located on the subject property. According to Mr. William Croyle, Associate Water Resource Control Engineer with the California Regional Water Quality Control Board ("RWQCB") following a walk-through of the subject property along Sulphur Creek, the source of mercury does not appear to be former mining activity, but more likely the naturally-occurring geothermal activity which may be releasing mercury-containing water to Sulphur Creek. It should be noted, however, that testing in and around the mines area on the subject property has not been performed and, thus, the RWQCB's current opinion as to possible sources of mercury could change in the future.

Mr. Croyle indicated that the Elgin Mine or natural seeps near the Elgin Mine, located approximately two miles from the subject property, may be possible sources for mercury in Sulphur Creek and, therefore, may be investigated by the RWQCB in the future.

### Potential for Mine Closures

Given that the inactive mines on the subject property have not been granted official closure status by the regulatory agencies, it is possible that official closure of the mines may be requested by the RWQCB agencies in the future.

Based on a telephone conversation with Mr. Croyle, however, at an inactive mine site, if there are no significant tailings, no known mercury "hot spots", and no portal discharge or drainage, the RWQCB would not likely aggressively pursue closure of such mine. Currently, according to Mr. Croyle, there is no formal regulatory approach or program regarding mine closures. According to Mr. Enderlin with Homestake Mining Company, no portal discharges and no known mercury hot spots exist on the subject property. On this basis, the mines on the subject property would rank very low on the RWQCB's list of mine closures. It should be noted, however, that the RWQCB's current position on closures of inactive mines may change in the future.



### Results of Environmental Database Search

According to an computer search of regulatory agency-listed sites performed by E-Data Resources, Inc., the Empire Mine and the Manzanita Mine are listed on the Cal-Sites list. The Cal-Sites list represents "known and potential hazardous waste sites". According to Mr. Enderlin, the Manzanita Mine is located on the subject property, and a portion of the Empire Mine may be located on the subject property.

### Discussions with Colusa County Personnel

EKI contacted persons with the Colusa County Department of Environmental Health. The County is not aware of any outstanding environmental issues associated with the subject property.

## 2.0 INTRODUCTION

The American Land Conservancy ("ALC") retained Erler & Kalinowski, Inc. ("EKI") to perform a Phase I environmental site assessment for approximately 155 acres referred to as the Homestake Mining parcel in Colusa County, California (see Figure 1). This Phase I Preliminary Environmental Site Assessment in general follows the procedures outlined in the American Society for Testing and Materials ("ASTM") *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E 1527-97.

The purpose of this assessment is to identify significant environmental concerns, if any, associated with the subject property, related to past or present on-site land uses and nearby off-site land uses. This assessment is based on information obtained from the following sources:

- a database search of agency lists identifying reported chemical use and release sites at the subject property and surrounding areas;
- discussions with persons at the Colusa County Department of Environmental Health reportedly familiar with the subject property;
- discussions with persons at the Bureau of Land Management ("BLM");
- review of historical aerial photographs for the subject property and vicinity;
- observations made during a walk-through of the subject property on 30 June 1997;
- discussions with Mr. William Croyle of the California Regional Water Quality Control Board ("RWQCB") regarding mercury contamination and mine closure issues; and
- telephone discussions with Mr. Dean Enderlin with Homestake Mining Company, the current owner of the subject property.

No soil or groundwater samples were collected by EKI as part of this assessment. Samples of materials suspected to contain asbestos were collected by EKI. The conclusions and recommendations presented herein are our professional opinion and are not a warranty or guaranty as to the presence, absence, or extent of contamination at the subject property or of releases from or near the subject property. The facts presented herein are based on available information obtained by EKI and represent existing conditions at the subject property at the time of this report. This report is for the sole use of the American Land Conservancy. Unless specifically authorized by EKI, use of or reliance on this report by any other entity is not permitted or authorized.

### 3.0 DESCRIPTION OF SUBJECT PROPERTY AND VICINITY

The subject property is located approximately 12 miles southwest of Williams, California (see Figure 1). The subject property is bisected by Sulphur Creek which trends in a west to east direction through the property. Sulphur Creek flows into Bear Creek approximately one-mile east of the subject property. Bear Creek drains to Cache Creek which flows to the Sacramento River and eventually to San Francisco Bay.

Several inactive mercury mines are located on the subject property. These include the Manzanita Mine and the Cherry Mine. Portions of the Empire Mine, the Central Mine, and possibly the West End Mine are also located on the subject property, according to Mr. Enderlin. According to Mr. Enderlin, mining was discontinued on the subject property in the 1940s. Some exploratory activity (i.e., soil borings) was conducted on the subject property in the 1960s.

Several unimproved roadways cross the subject property. Several dilapidated wooden structures exist on the subject property. Several hot springs are reported to exist on the subject property near Sulphur Creek. Several hand dug wells and cisterns are reported to exist on the subject property, however, with the exception of one cistern, the exact locations of the wells and other cisterns are not known. According to Mr. Enderlin, there are no deep, cased water supply wells on the subject property.

### 4.0 LAND USE HISTORY

According to Mr. Enderlin, both gold and mercury mining was conducted on the subject property from around the 1860s through the 1940s. The subject property has been idle since the 1940s. As noted above, some drilling of soil borings was conducted on the subject property in the 1960s as part of exploratory work. There are no other reported uses of the subject property.

#### 1984 Aerial Photograph

EKI viewed an aerial photograph of the subject property taken in March 1984, obtained from WAC Corporation. The aerial photograph shows some ground surface disturbance as part of former mining activity on the subject property. No obvious significant areas of potential environmental concern are noted on the photograph viewed by EKI.

### 5.0 ELEVATED MERCURY IN CACHE CREEK WATERSHED

The RWQCB reportedly has been monitoring elevated concentrations of mercury in water from Cache Creek. Cache Creek flows to the Sacramento River delta. Cache Creek receives water from Bear Creek and Sulphur Creek; Sulphur Creek crosses the subject property. Several inactive gold and mercury mines are situated along Sulphur Creek on the subject property. The source for the mercury in Cache Creek has not been determined, however, the

RWQCB has been speculating that the inactive mercury mines along Sulphur Creek may be potential sources. Natural geothermal springs in the area are also suspected as being potential sources of elevated mercury. The inactive gold and mercury mines on the subject property and off-site mines have not been closely investigated by the RWQCB.

On 30 June 1997, EKI and ALC, along with Mr. William Croyle of the RWQCB conducted a walk-through of a portion of the subject property, primarily those areas along Sulphur Creek (discussed further below). Several mine openings along Sulphur Creek were observed. No significant tailings piles associated with the mines were noted. It is possible the tailings piles had been washed away years ago from annual high water flows in Sulphur Creek. There was no evidence of water flowing from the mine openings or from the talus slopes beneath the mine openings. According to Mr. Enderlin, he is not aware of discharges from any of the mines on the subject property. Several natural geothermal springs and pools were observed along Sulphur Creek off the subject property (i.e., Blank Spring, Jones Fountain). Mr. Enderlin indicated that several geothermal springs exist on the subject property as well. Mr. Croyle indicated at the time of the walk-through that the source of mercury in Cache Creek did not appear to be a result of the former mining activity, but more likely a result of naturally occurring geothermal activity which may be releasing mercury-containing water to Sulphur Creek. It should be noted that the RWQCB's current opinion as to possible sources of mercury can change in the future.

Mr. Croyle indicated that the Elgin Mine and surrounding springs may be investigated in the future, possibly in late 1997. The Elgin Mine and springs around the mine site, and the mill site, are located approximately two miles west-northwest of the subject property, further up Sulphur Creek.

### 5.1 Potential for Mine Closure

According to Mr. Enderlin, none of the mines on the subject property have been granted official closure status by the regulatory agencies nor has there been any request by the regulatory agencies to begin the closure process. It is possible, however, that official closure of the mines may be requested of the land owner in the future by the regulatory agencies. Closure may be requested with conformance to California Code of Regulations (CCR) Title 23, Division 3, Chapter 15, Article 7, which regulates mining waste management. Items which may need to be addressed include water quality threat, closure and post-closure plans, financial assurance, grading requirements, drainage controls, water monitoring, and containment and cover maintenance.

Based on a telephone conversation with Mr. Croyle, at an inactive mine site, if there are no significant tailings, no known mercury "hot spots", and no portal discharge or drainage, the RWQCB would not likely aggressively pursue closure of such mine. Currently, according to Mr. Croyle, there is no formal regulatory approach or program regarding mine closures. Many closure requests come about by some sort of litigation or lawsuit pertaining to the mine. According to Mr. Enderlin, no significant tailings exist at any of the mine site sites on the subject property, no known mercury hot spots exist, and there is no visible portal discharge

from any mines on the subject property. On this basis, the mines on the subject property would rank very low on the RWQCB's list of mine closures. It should be noted, however, that the RWQCB's current position on closures of inactive mines may change in the future.

## 6.0 WALK-THROUGH OF SUBJECT PROPERTY

A walk-through of a portion of the subject property was performed by Mr. Bruce C. Castle of EKI on 30 June 1997. Mr. Castle was accompanied on the walk-through by the following persons:

- Ms. Nancy Stryble, American Land Conservancy;
- Mr. Lauren Ward, Ward Investments (broker familiar with the property);
- Ms. William A Croyle, P.E., RWQCB
- Mr. Rick Humphreys, Abandoned Mine Coordinator with the State Water Resources Board;
- Mr. Dean A. Enderlin, Environmental Engineer for Homestake Mining Company; and
- Mr. Scott Moore, surveyor for Homestake Mining Company

The walk-through focused on areas primarily along Sulphur Creek. Observable areas included the hillslopes to the north and south of the creek, which included several mine openings. A discussion of the observations by EKI is discussed below.

### Mine Openings

EKI observed several mine openings which included the Manzanita Mine, the Cherry Mine, and the West End Mine. EKI did not observe the opening to the Empire Mine. No significant tailings were observed at any of the mine openings and no portal discharge from the mines was noted. No major equipment or debris associated with the former mining activity was noted by EKI. No significant obvious potential environmental concerns were noted with regard to the mine openings at the time of the walk-through. Potential agency closure issues were discussed above.

### Former Building Foundations and Cistern

Several building foundations and a dilapidated structure (referred to by Mr. Enderlin as the "old house") were observed on the subject property as well as a rock cistern. No obvious potential environmental concerns were noted.

### Natural Springs

Mr. Enderlin indicated that a number of "hot springs" span the subject property, however, no significant springs were observed by EKI at the time of the walk-through.

## 7.0 DISCUSSIONS WITH REGULATORY AGENCY PERSONNEL

EKI contacted several persons with the Colusa County Environmental Health Department regarding areas of potential environmental concern on the subject property. The results of these telephone contacts are presented below.

### 7.1 Underground Tanks Division

EKI contacted Ms. Robin Hook with the Colusa County Environmental Health Department Underground Tanks Division at (916) 458-0395. According to Ms. Hook, there are no registered underground tanks or reported underground fuel tank leaks on the subject property. Ms. Hook was not aware of any outstanding environmental issues associated with the subject property or areas of concern to the County Health Department. According to Ms. Hook, the nearest underground tanks to the subject property are located at the California Division of Forestry Station located approximately four miles east-southeast of the subject property (discussed below).

### 7.2 Solid Waste Division

EKI contacted Mr. Rolf Frankenbach with the Colusa County Environmental Health Department Solid Waste Division at (916) 458-0398. According to Mr. Frankenbach, there are no active or closed registered solid waste disposal sites on the subject property. Mr. Frankenbach was not aware of any un-registered solid waste disposal sites on the subject property. Currently, the County Solid Waste Division has no concerns regarding disposal sites on the subject property.

## 8.0 RESULTS OF COMPUTER DATABASE SEARCH

EKI contracted with EDR to provide a computer search of agency listings and identify reported chemical release and chemical use sites on and in the vicinity of the subject property. The EDR report, dated 17 June 1997, is included in Appendix A.

According to the EDR report, the following mines are listed on the Cal-Sites list. The Cal-Sites list represents "known and potential hazardous waste sites".

- Elgin Mine
- Empire Mine
- Manzanita Mine
- Wide Awake Mine

The Manzanita Mine and a portion of the Empire Mine are reportedly located on the subject property. The Wide Awake Mine and the Elgin Mine reportedly are not located on the subject property.

### *California Division of Forestry Station*

According to the EDR report, multiple underground fuel storage tanks are located at the Wilbur Springs California Division of Forestry Fire Station located at 1010 Highway 16 approximately four miles east-southeast of the subject property. According to Ms. Robin Hook at the Colusa County Health Department, the tanks are single-walled and are expected to be removed and replaced before the end of 1997. No leaks are currently reported for the tanks, however, leaks may be discovered when the tanks are removed, according to Ms. Hook. Given the general downgradient direction of the Fire Station from the subject property and distance, releases from the underground tanks, if any, would not be expected to impact the subject property.

## 9.0 CONCLUSIONS AND RECOMMENDATIONS

Based on the information presented above, the following conclusions and recommendations are made:

### **Inactive Gold and Mercury Mines on Subject Property**

Elevated concentrations of mercury reportedly have been detected in the waters of Cache Creek. Cache Creek receives water from Sulphur Creek, which crosses the subject property. Several inactive gold and mercury mines are located on the subject property. According to Mr. William Croyle with the RWQCB, the source of mercury does not appear to be former mining activity, but more likely the naturally-occurring geothermal activity which may be releasing mercury-containing water to Sulphur Creek. It should be noted, however, that testing in and around the mines area on the subject property has not been performed and, thus, the RWQCB's current opinion as to possible sources of mercury could change in the future.

Mr. Croyle indicated that the Elgin Mine or natural seeps near the Elgin Mine, located approximately two miles from the subject property, may be possible sources for mercury in Sulphur Creek and, therefore, may be investigated in the future.

### **Potential for Mine Closures**

Given that the mines on the subject property have not been granted official closure status by the regulatory agencies, it is possible that official closure of the mines may be requested by the RWQCB agencies in the future.

Based on a telephone conversation with Mr. Croyle, however, at an inactive mine site, if there are no significant tailings, no known mercury "hot spots", and no portal discharge or drainage, the RWQCB would not likely aggressively pursue closure of such mine. Currently, according to Mr. Croyle, there is no formal regulatory approach or program regarding mine closures. According to Mr. Enderlin with Homestake Mining Company, no portal discharges and no known mercury hot spots exist on the subject property. On this basis, the mines on the subject property would rank very low on the RWQCB's list of mine closures. It should be noted,

however, that the RWQCB's current position on closures of inactive mines may change in the future.

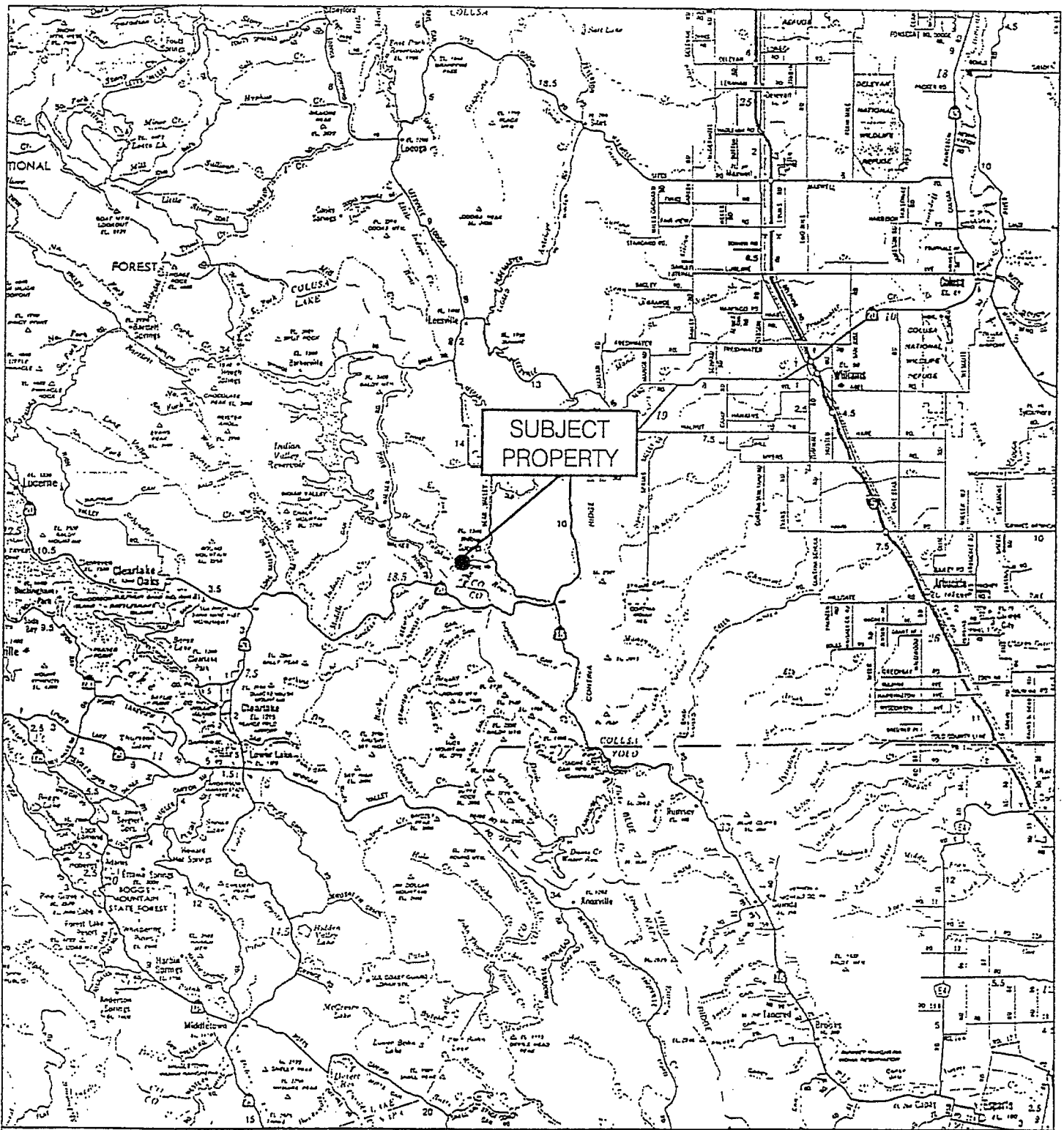
#### Results of Environmental Database Search

According to an computer search of regulatory agency-listed sites performed by E-Data Resources, Inc., the Empire Mine and the Manzanita Mine are listed on the Cal-Sites list. The Cal-Sites list represents "known and potential hazardous waste sites". The Manzanita Mine and a portion of the Empire Mine are reportedly located on the subject property.

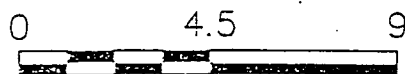
#### Discussions with Colusa County Personnel

EKI contacted persons with the Colusa County Department of Environmental Health. The County is not aware of any outstanding environmental issues associated with the subject property.





Source: CSAA North Bay Counties Road Map, 1992.



(Approximate Scale in Miles)

**Erler &  
Kalinowski, Inc.**

Approximate Location  
of Subject Property

Homestake Mining Parcel  
Colusa County, CA

August 1997  
EKI 970064.00

Figure 1

**Notes:**

1. All locations are approximate.

# Attachment E

BOOK 410 PAGE 27

BOOK 410 PAGE 27

INDIVIDUAL

STATE OF HAWAII, }  
City and County of Honolulu. } ss:

On this 4th day of October, A. D. 1973, before me personally appeared  
Richard B. Lucientes  
to me known to be the person described in and who executed the foregoing instrument and  
acknowledged that he executed the same as his free act and deed.

Lajime Nagatosi  
Notary Public, First Judicial Circuit,  
State of Hawaii.

My Commission Expires Nov. 15, 1975

AGREEMENT

This Agreement is made the 27<sup>th</sup> day of September, 1973, by and between JOSE M. LUCIENTES, JR., an individual, of Ukiah, California and RICHARD B. LUCIENTES, an individual, of Hawaii (hereinafter together referred to as "Grantors") and HUMANISTIC PSYCHOLOGY INSTITUTE, a California non-profit corporation (hereinafter referred to as "Grantee").

1. Grantors have granted to Grantees by quit claim deed of even date herewith whatever interests they now have or may acquire in certain real property situated in <sup>Colusa</sup> ~~Mendocino~~ County, California ("the property") and described as follows: Lots 38-A and 38-B, known as the New Elgin Mine and Mill Site, in Section 13, Township 14 North, Range 6 West, M.D.B.&M., and the Southwest quarter of the Southeast quarter, Southeast quarter of Southwest quarter, and Lot 4 of Section 18, and the Lot numbered 1, of Section 19 of Township 14 North, Range 5 West, M.D.B.&M.

2. Grantee agrees to fully pay the outstanding balance upon that mortgage on the property held by the Estate of John Sinclair, deceased and any accrued taxes or assessments upon the property, as set forth on Schedule "A" attached hereto. Grantee shall thereafter pay when due all taxes or assessments upon the property so long as Grantee shall own the property.

3. The property shall be used by Grantee solely for educational seminars, retreats and meetings in furtherance of the educational goals and activities of Grantee.

4. Grantee shall not disturb or interfere with the wilderness character of the property. Any construction upon the property shall first be approved in writing by Grantors.

5. Grantors hereby retain an easement to enter upon and wander over the property at any reasonable time and for any reasonable length of time, provided that Grantors shall not in any way interfere with the use of the property by Grantee for educational activities and purposes.

EXHIBIT "A"

6. Upon the occurrence of any of the following events, at the option of Grantors exercised by written notice to Grantee as provided in Paragraph 7 of this Agreement, title to the property shall revert to Grantors:

- (a) Grantee possesses other interests in real or personal property appraised for purposes of §29007(a)(3) of the Education Code of the State of California at a value not less than Fifty Thousand Dollars (\$50,000.00).
- (b) The property is at any time used for any purposes or activities not related to or directed toward Grantee's educational goals and purposes.
- (c) Grantee is no longer actively conducting educational activities in the State of California. Grantee shall be deemed to no longer be actively conducting such activities if no courses, seminars or other study methods are made available to potential students during any one-year period, or if Grantee is in the process of liquidating pursuant to the California Corporations Code.
- (d) The passage of ten (10) years from the date of the Quit Claim Deed of even date herewith transferring title in the property to Grantee.

7. Any notices required to be sent pursuant to this Agreement shall be in writing and shall be sufficient if sent by United States Mail to the following addresses:

Grantee: HUMANISTIC PSYCHOLOGY INSTITUTE  
325 Ninth Street  
San Francisco, California 94103

Grantors: JOSE M. LUCIENTES, JR.  
Box 336  
Clear Lake Oaks, California

8. RICHARD B. LUCIENTES hereby appoints JOSE M. LUCIENTES, JR. as his attorney-in-fact for purposes of sending any notice provided in this Agreement or exercising any option of reverter that may arise under Paragraph 6 of this Agreement, and authorizes JOSE M. LUCIENTES, JR. to take such action as will be in the best interests of the Grantors, which action shall be binding upon both Grantors.

9. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto, their successors, assigns and personal representatives.

10. This Agreement shall be construed in accordance with the laws of the State of California.

11. This Agreement may be executed in counterparts.

Executed as of the date first written above.

HUMANISTIC PSYCHOLOGY INSTITUTE

by Eleanor Crisswell Ed.D.  
ELEANOR CRISSWELL, Director

Jose M. Lucientes Jr.  
JOSE M. LUCIENTES, JR.  
Richard B. Lucientes  
RICHARD B. LUCIENTES

## RECORDING REQUESTED BY

Jose M. Lucientes, Jr.

AND WHEN RECORDED MAIL TO

Name L. Stephen Turer, Esq.  
 Street Address 615 North Street, Suite 5  
 City & State Santa Rosa, CA 95404

MAIL TAX STATEMENTS TO

Name Jose M. Lucientes, Jr.  
 Street Address P.O. Box 336  
 City & State Clearlake Oaks, Ca.

2941

## RECORDED AT REQUEST OF

L. Stephen Turer  
 15 NOV. 1978 10 A.M.  
 OFFICIAL RECORDS COLUSA COUNTY, CALIF.

OCT 2 - 1978

\$ 3.00 p Recorder, Colusa County

BOOK 464 PAGE 77

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## Corporation Quitclaim Deed

10 1920 CA 14 73

THIS FORM FURNISHED BY TICOR TITLE INSURERS

A. P. N.

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$ NONE

- ( ) computed on full value of property conveyed, or  
 ( ) computed on full value less value of liens and encumbrances remaining at time of sale.  
 ( ) Unincorporated area: ( ) City of \_\_\_\_\_, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

## HUMANISTIC PSYCHOLOGY INSTITUTE

non-profit  
 a corporation organized under the laws of the State of California,

hereby REMISES, RELEASES AND QUITCLAIMS to JOSE M. LUCIENTES, JR., an  
 individual, and RICHARD B. LUCIENTES, an individual,

the following described real property in the  
 County of Colusa, State of California:

Lots 38-A and 38-B, known as the New Elgin Mine  
 and Mill Site, in Section 13, Township 14 North,  
 Range 6 West, M.D.B. & M., and the Southwest  
 quarter of the Southeast quarter, Southeast  
 quarter of Southwest quarter, and Lot 4 of Section  
 18, and the Lot numbered 1, of Section 19 of  
 Township 14 North, Range 5 West, M.D.B. & M.

In Witness Whereof, said corporation has caused its corporate name and seal to be affixed hereto and this instru-  
 ment to be executed by its \_\_\_\_\_ President and \_\_\_\_\_ Secretary  
 thereunto duly authorized.

Dated: September 7, 1978

HUMANISTIC PSYCHOLOGY INSTITUTE,  
 a California non-profit corporation

STATE OF CALIFORNIA

COUNTY OF San Francisco } ss.

On \_\_\_\_\_ before me, the under-  
 signed, a Notary Public in and for said State, personally appeared  
DONALD E. POLKINGHORNE, Ph.D. known

to me to be the \_\_\_\_\_ President, and  
CHARLES NILAN known to me to be

Secretary of the Corporation that executed the  
 within instrument, known to me to be the persons who executed the  
 within instrument on behalf of the Corporation therein named, and  
 acknowledged to me that such Corporation executed the within instru-  
 ment pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

By Donald E. Polkinghorne  
 Donald E. Polkinghorne, Ph.D. President  
 By Charles Nilan  
 Charles Nilan Secretary

Signature Linda Liebold

(This area for official notarial seal)

Title Order No.

2941

Encrow or Loan No.

MAIL TAX STATEMENTS AS DIRECTED ABOVE

BOOK 464 PAGE 77



98 003658

Recording Requested By  
and When Recorded Mail To:

Rawles, Hinkle, Carter,  
Behrke & Oglesby  
P. O. Box 720  
Ukiah, CA 95482

Mail Tax Statement To:

Mr. José Lucientes  
438 McPeak Street  
Ukiah, CA 95482

RECORDED AT REQUEST OF  
*Rawles, Hinkle, et al*  
33 min. part 1 PM  
Official Records Colusa County, CA

AUG 28 1998

KATHLEEN MORAN - COUNTY RECORDER

No. of Pages 2 Fee \$ 10.00

The undersigned grantor declares:

Grantor has no vested interest

Documentary transfer tax is 0- No Consideration

- ( ) Computed on full value of property conveyed, or  
( ) Computed on full value less value of liens and  
encumbrances remaining at time of sale.

( ) Unincorporated area ( ) City of \_\_\_\_\_  
Tax Parcel No. 018-10-0-002, 004; 018-11-0-003

## QUITCLAIM DEED

*FOR A VALUABLE CONSIDERATION,*

RICHARD B. LUCIENTES, an unmarried man,

*does hereby remise release and forever QUITCLAIM to*

JOSE M. LUCIENTES, JR., an unmarried man,

all of Grantors' interest in that certain real property situated in the County of Colusa, State of California, more particularly described as follows:

Lots 38-A and 38-B, known as the New Egin Mine and Mill Site, in Section 13, Township 14 North, Range 6 West, Mount Diablo Base & Meridian, and the Southwest quarter of the Southeast quarter, Southeast quarter of Southwest quarter, and Lot 4 of Section 18, and the Lot numbered 1, of Section 19 of Township 14 North, Range 5 West, Mount Diablo Base & Meridian.

DATED: August 21, 1998

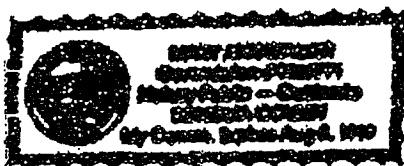
*Richard B. Lucientes*  
RICHARD B. LUCIENTES

98 103658

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SONOMA )

On August 21, 1998, before me, the undersigned, a Notary Public, personally appeared RICHARD B. LUCIENTES, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



  
Notary Public, State of California

END OF DOCUMENT

# Attachment F

21. Short Form. Homestake and Owner shall execute and deliver a Short Form of Lease to give notice hereof to third persons. Homestake may record said Short Form or this Lease, or both.

22. Assignment. Owner may assign its interest in this Lease. Homestake may assign its interest in this Lease with the prior written consent of Owner, which consent shall not be unreasonably withheld; provided, however, that Homestake shall not need prior written consent to assign its interest in this Lease to (1) any corporation incorporated in any of the fifty states of the ~~of the~~ United States of America and which corporation has a net worth or shareholders equity of one million dollars or more as determined by generally accepted accounting principles consistently applied or (2) any person, firm, corporation, venture or partnership which, directly or indirectly, controls or is controlled by or is under common control with Homestake. For purposes of this definition, "control" (including "controlling", "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, firm, corporation, venture or partnership, whether through the ownership of voting securities or by contract or otherwise.

23. Amendment. Each of the persons named as Owner hereby agrees with each other and with Homestake that this Lease may be amended or varied from time to time by a writing signed by or on behalf of the persons or enterprises then owning sixty percent or more of Owner's interest in the Mining Property and that such a writing so signed shall be as binding as if signed by each and every one of them. No agreement enforceable solely by reason of this Section shall be effective to the extent that it purports to reduce the production royalties payable pursuant to this Lease.

24. Effect. The representations and warranties of Owner shall survive execution of this Lease. All covenants, conditions, limitations and provisions herein contained shall run with the Mining Property and shall bind and inure to the benefit of the successors and assigns of the parties. The only relationship between Homestake and Owner are that of lessor and lessee. None of the provisions of this Lease shall be construed between the parties to create a partnership or joint enterprise or the relationship of master and servant, principal and agent, or the like.

25. Entire Agreement. This Lease contains the entire agreement of the parties. There are no other conditions, agreements, representations, warranties, or understandings, express or implied.

HOMESTAKE MINING COMPANY

TERHEL FARMS, INC.

By James A. Ainsworth  
VICE PRESIDENT  
4/18/79

By Walter Lartain, Secretary  
031078  
By W. A. Thomas, Pres.

# MINERAL DATA SHEET

COMPANY NAME (DIVISION NAME SECOND LINE) HONESTAKE MINING COMPANY														NO. # 000		PROPERTY NO. 2		SUB # A		TR # 2	
10/13/80		RENO		NO. # 4		COUNTY/PROVINCE COLUSA		NO. # 11		PROJECT/AREA/BLOCK CHERRY HILL		NO. # 2810		PROPERTY NAME OR NUMBER TERHEL FARMS							
STATE/COUNTRY CALIFORNIA		NO. # 4		COUNTY/PROVINCE COLUSA		NO. # 11		PROJECT/AREA/BLOCK CHERRY HILL		NO. # 2810		PROPERTY NAME OR NUMBER TERHEL FARMS									
RECORDING DATA		AGREEMENT DATE		EFFECTIVE DATE		EXPIRATION DATE		OWNERSHIP TYPE		P		TYPE INTEREST		L							
462 46		4 10 78		4 10 78		4 09 88		MND		AGREEMENT STATUS		EX		EX							
GROSS ACRES		NET ACRES		ACRES ADDED		NET MINERAL INTEREST %															
4,200.0000		4,200.0000		.0000		.0000															
GROSS SURFACE ACRES		NET SURFACE ACRES		NET SURFACE MINERAL INTEREST %																	
.0000		.0000		.0000		.0000															
REV. INT. / W/L %		ORR %		LANDOWNERS ROY. %		WTR WELL		ASSIGN		RE-ASSIGN		TERM.		SPECIAL AGREEMENT PROVISIONS							
.0000		.0000		.0000										OWN. RT. SPL. BDR. MUT. INT. W/L OBLG. MUT. ROY. COMING. OTHER OTHER							
CONSIDERATION / BONUS		OTHER CAP. COST		TAX BASE		ACCT-1		ACCT-2		ACCT-3		ACCT-4		ACCT-5							
.00		.00		.00		.00		.00		.00		.00		1,200.00							
ACCT-3		ACCT-4		ACCT-5		ACCT-6		ACCT-7		ACCT-8		ACCT-9		ACCT-10							
.00		.00		.00		.00		.00		.00		.00		.00							
OPERATOR / AFE NO. #		ACQUIRED DATE		ACQUIRED FROM		HOW ACQUIRED		PRICE / ACRE													
1ST MAP REFERENCE		2ND MAP REFERENCE		3RD MAP REFERENCE																	
3 13N 5W		13 14N 6W		6 14N 5W																	
PERMIT CLASSIFICATION										UNPATENTED CLAIMS		CHECK IF YES									
WTR EXP OP AIR DVP EIS RC OTHER										ANNUAL ASSESS. WORK		9/1									
FEDERAL										BLM FILING		12/30									
STATE										POL COUNTY RECORDING		/									
COUNTY										CONTRACTUAL DATE		/									

## \*\*\*\*\* PAYMENT OBLIGATIONS \*\*\*\*\*

TYP	PRD	BEG. DATE	END. DATE	AMOUNT	TYP	PRD	BEG. DATE	END. DATE	AMOUNT
AR	S12	6/09/78	6/09/78	4,000.00	AR	S12	6/09/79	6/09/80	4,000.00
AR	S12	6/09/81	6/09/82	4,200.00	AR	S12	6/09/83	6/09/88	8,400.00
AR	S12	6/09/89	6/09/93	12,600.00	AR	S12	6/09/94	6/09/97	16,800.00

## \*\*\*\*\* SPECIAL OBLIGATIONS \*\*\*\*\*

### \* TYP PRD BEG. DATE END. DATE DESCRIPTION \*

021	EN	060	1/09/88	90 DAYS WRITTEN NOTICE BY HAND OR MAIL (CERT OR REGIS) FOR ADDITIONAL FIVE YEAR TERMS (NO LIMIT). MAIL BY 1/4. SPEND \$50,000 DEVELOPMENT IN 12 MONTHS ENDING 4/9.
023				SEC 2 (B), 20.
024				
025	TN	012	4/09/79	RECORD SURRENDER; SEC 2 (C), 13. REMOVE EQUIP ONE YEAR. SEC 15. RETURN OWNER'S DATA 60 DAYS. SEC 16A.
027	WR	060	4/09/88	SPENDING \$50,000 IN 12 MONTHS ENDING 4/9
029	EI	048	4/10/98	NECESSARY FOR EXTENSION. SEC 2 (B).
031	DF	012	3/01/79	ADJUST RENTALS BY CONSUMER PRICE INDEX FOR ALL ITEMS EFFECTIVE PAYMENT DUE 6/9. SEC 5 (A) (VIII).
033	WP	060	10/09/87	PAY OWNER FOR TAILINGS & WASTE DEPOSITED FROM OUTSIDE. DUE 2/29-3/1 FOR PRIOR CALENDAR YEAR. SEC 7 (E).
				SPEND \$50,000 IN 12 MONTHS ENDING 10/9 TO ALLOW EXTENSION. SEC 2 (B).

## \*\*\*\*\* GENERAL INFORMATION AREA \*\*\*\*\*

051	LAND DESCRIPTION			ACRES
052	PARCEL NO. 1			
053	T	13N	R 5W	
054	SEC	3:	LOT 4; SW/4 NW/4; SE/4 NE/4	23.23, 40, 40
055			LESS PORTION OF EACH LYING SOUTH	(LESS 71 )
056			OF CERTAIN RIGHT OF WAY	
057			SEE PAR. #2 FOR MINERAL RTS IN ENTIRE EXCLUDED AREA	
058			: LOT 1	24.57
059	T	14N	R 5W	
060	SEC	13:	LOTS 1, 2, 3, 4 OF SE/4	29.06, 37.33, 30.87, 32.74
061			SE/4 SW/4	40.00

COMPANY NAME (DIVISION NAME SECOND LINE)														NO. #		PAGE		PROPERTY NO.		SUB #		TR #									
HOMESTAKE MINING COMPANY														400		2		2		A											
10/13/80 95NO																															
STATE/COUNTRY		NO. #		COUNTY/PROVINCE				NO. #		PROJECT/AREA/BLOCK				NO. #		PROPERTY NAME OR NUMBER															
CALIFORNIA		4		COLUSA				11		CHERRY HILL				2810		TERRHEL FARMS															
RECORDING DATA		AGREEMENT DATE				EFFECTIVE DATE				EXPIRATION DATE				OWNERSHIP TYPE				TYPE INTEREST													
		MO 2 DA 2 YR 2				MO 2 DA 2 YR 2				MO 2 DA 2 YR 2				PROPERTY TYPE				AGREEMENT STATUS													
														PAY RESPONSIBILITY				ROYALTY CODE													
GROSS ACRES		NET ACRES				ACRES ADDED				NET MINERAL INTEREST %																					
GROSS SURFACE ACRES		NET SURFACE ACRES				NET SURFACE MINERAL INTEREST %																									
REV. INT. / W/1 %		ORR %		LANDOWNERS ROY. %		WTR. WELL		ASSIGN		RE-ASSIGN		TERM.		SPECIAL AGREEMENT PROVISIONS		OWN. RT.		SPL. BDR.		MUT. INT.		W/1. OBLG.		MUT. ROY.		COMING.		OTHER		OTHER	
CONSIDERATION / BONUS		OTHER CAP. COST				TAX BASE				ACCT-1				ACCT-2																	
\$		\$				\$				\$				\$																	
ACCT-3		ACCT-4				ACCT-5				ACCT-6				ACCT-7																	
\$		\$				\$				\$				\$																	
OPERATOR / AFE NO. #		ACQUIRED DATE				ACQUIRED FROM				HOW ACQUIRED				PRICE / ACRE																	
		MO 2 DA 2 YR 2																													
1ST MAP REFERENCE		2ND MAP REFERENCE				3RD MAP REFERENCE																									
PERMIT CLASSIFICATION														UNPATENTED CLAIMS				CHECK IF YES													
WTR		EXP		OP		AIR		DVP		EIS		RC		OTHER		ANNUAL ASSES. WORK				9/1											
FEDERAL																BLM FILING				12/30											
STATE																POL COUNTY RECORDING				/											
COUNTY																CONTRACTUAL DATE				/											

062 T 14N R SW  
063 SEC 6: SE/4 SW/4 SEC 7: NW/4 NE/4; NE/4 NW/4 40, 80  
064 SEC 16: S/2 SE/4 80.00  
065 SEC 17: E/2 SW/4; SE/4 NW/4; NW/4 SE/4 160.00  
066 SEC 18: NE/4 NE/4; SE/4 SE/4 80.00  
067 SEC 19: E/2; SE/4 SW/4 360.00  
068 SEC 20: S/2 NE/4; SW/4 NW/4; S/2 440.00  
069 SEC 21: E/2; NE/4 SW/4; NW/4 (LESS 1/16 MIN INT IN W/2) 520.00  
070 SEC 22: W/2; SW/4 SE/4 SEC 28: SW/4 SW/4 360.00, 40.00  
071 SEC 27: ALL 640.00  
072 SEC 28: E/2 E/2 LESS EXCEPTIONS NO. 5 & 6, IF ANY 160.00  
073 SEC 29: W/2; NE/4 319.11  
074 LESS EXCEPTIONS NO. 1-10 AND BLM LOT 6 (LESS 105.5 )  
075 SEC 30: NE/4; N/2 SE/4 IN COLUSA CTY ONLY 125.30  
076 SEC 34: N/2; N/2 SE/4; SE/4 SE/4 440.00  
077 SEC 35: SW/4; W/2 NW/4 240.00  
078 LESS PORTION OF SW/4 SOUTH OF RT OF WAY (LESS 52 )  
079 SEE PARCEL NO. 2 FOR MINERAL RIGHTS IN EXCLUDED AREA  
080 PARCEL #2: MINERAL, OIL, GAS RIGHTS TO PORTIONS OF SECS 123  
081 3 & 35 EXCLUDED FROM PARCEL #1. OIL & GAS RESERVED.  
082 PARCEL #3: ALL OF PARCEL NO. 2 ON PARCEL MAP FILED  
083 3/3/76 IN PARCEL MAPS BOOK 1, PG 154.  
090 ORIG LESSOR -----TERHEL FARMS, INC.  
091 P.O. BOX 491  
092 COLUSA, CA 95932  
093  
094 ORIG LESSEE -----HOMESTAKE MINING CO.  
119 O/S MIN INT 2 -----1/16 OIL, GAS, MINERAL RIGHTS IN  
110 W/2 NW/4 OF SEC 21 RESERVED BY OWNER'S GRANTOR, TAX COLLECTOR  
111 OF THE COUNTY OF COLUSA. SEE EXH A, PG 4. CONTAINS 80 ACRES.  
112 ROYALTY REMARKS -----PROD ROY: SURFACE MINING EXCEPT GOLD, 5% NR.  
131 GOLD 3-8% NR DEPENDING ON GRADE. UNDERGROUND MINING 4% NR.  
132 RECOVERED FROM WASTE OR TAILINGS 5% NR.  
145 CONTRACT REFERENCE -----ASSIGN: OWNER MAY. HMC MAY WITH PRIOR  
146 WRITTEN CONSENT (CERTAIN EXCEPTIONS). SEC 22; COMMINGLING OK.  
147 SEC 9; EASEMENTS: FOR HMC OPERATIONS WITHIN 2 MILES OF PROPERTY.

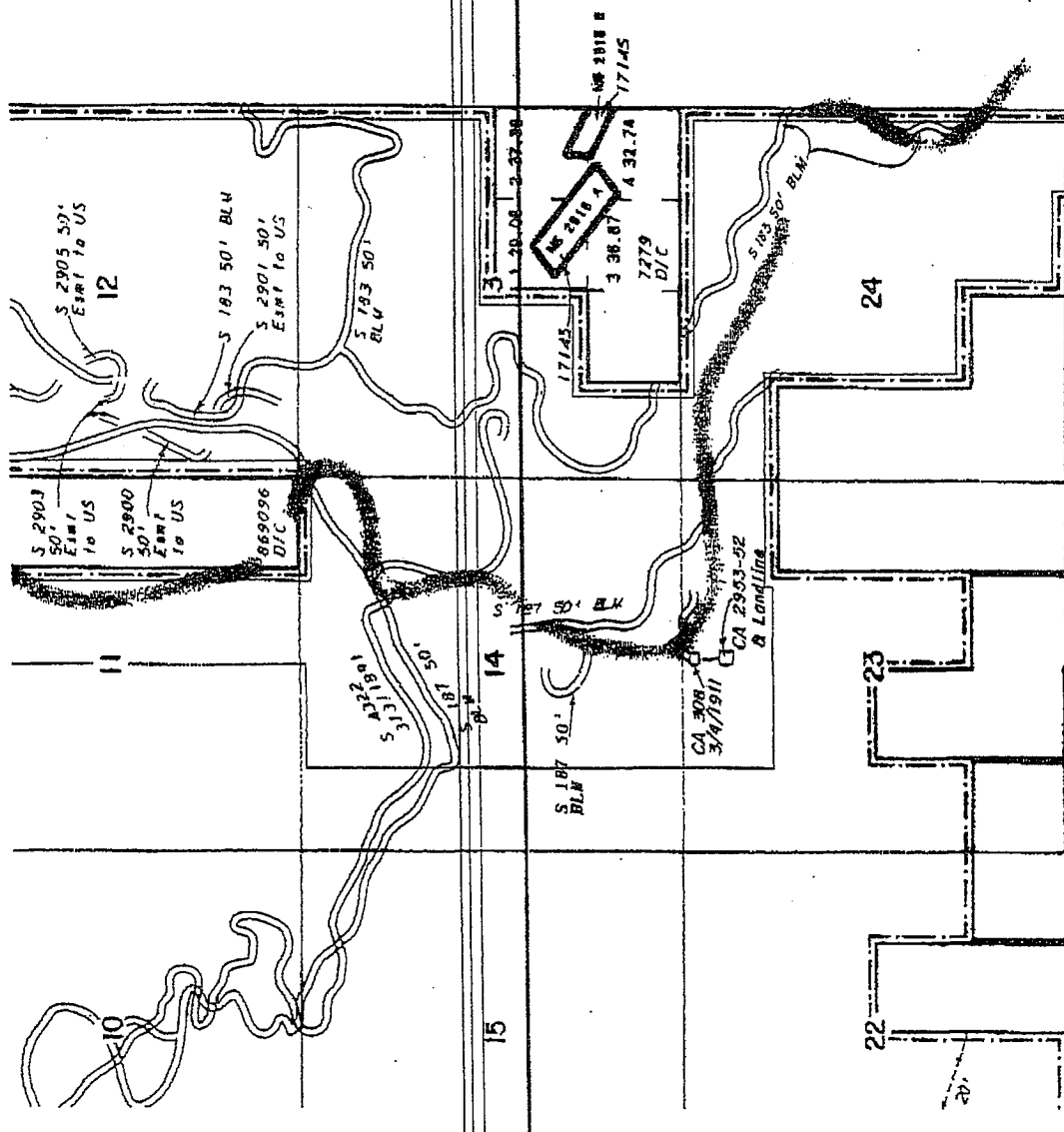
--	--	--	--	--	--

CACA 2611 KGRA The Geysers effective 8/23  
Secs 3 thru 36 (See case)

[illegible]

12:26

Pg: 3/5



# Attachment G



**HOMESTAKE MINING COMPANY**  
**CORRESPONDENCE - INTEROFFICE**

TO T. N. Tanner

DATE April 22, 1983

FROM R. M. Hatch  
*R. M. H.*

SUBJECT Elgin Mine Update,  
Recommendations

INTRODUCTION

The Elgin Mine lies within the Wilbur Springs District in Colusa County, California and is approximately 2.5 miles northwest of the Cherry Hill property. Joseph D. Strapko initially evaluated the property for Homestake in late 1977 and no work has been done since then.

GEOLOGY

The mine occurs along a Knoxville-Serpentinite contact and northwest trending faults within the structurally complex Wilbur Springs Structure. Crosscutting northeast trending structures may also have helped to localize mineralization. Strapko's mapping shows that rocks in the area include Knoxville argillites, greywackes and conglomerates, and serpentinite. Alteration is described as being opalization and silicification (silica-carbonate?) of the serpentinite. The mapping also shows a 3000' long by 200' wide deposit of siliceous sinter with some banded chalcedony. Botryoidal chalcedony, native sulfur on fractures, limonite staining, and limonite after sulfides are described as being locally abundant.

Early 1900's Reports of the State Mineralogist of California (unknown dates) describe intensive solfateric alteration including the deposition of large quantities of sulfur and locally economic cinnabar. Alteration is still

RECORD CENTER COPY

apparently active as solfateric waters up to 152°F were encountered in underground workings.

Strapko collected forty-nine samples from the Elgin area, five of which contained .4 to 6.0 ppm gold. Mercury was also analyzed for and the values are, as expected, locally high.

The above descriptions and data show that the Elgin mine is at the uppermost portion (paleo-surface) of a very strong hot springs system capable of dissolving and precipitating mercury and highly anomalous gold. Since solfateric alteration is caused by acidic vapor above the ground water table, significant precious metals values would be expected to occur only within the liquid dominated zone below the water table. The large siliceous sinter deposit was probably formed during a temporary raising of the groundwater table to the surface. The highly anomalous gold values obtained by Strapko probably precipitated during this time. Subsequent lowering of the water table caused the resumption of solfateric alteration at the surface. Therefore a very significant gold target may be located immediately below the solfatera in the liquid dominated zone. Mineralization would probably be in the form of stockworks along the serpentinite-Knoxville contact or in other structurally prepared fault zones.

#### LAND STATUS

The land situation presents a major problem. Two patented mining claims are apparently owned by Mr. Jose Lucientes of Clearlake Oaks, California. Jerry Carr recently contacted Mr. Lucientes to gain permission for me to evaluate the property. He indicated that he would grant permission to map and sample only if Homestake signed a contract stipulating that we would never mine within two miles of his property. He also said that, among other things, he would never lease the property and would never allow mining on it during his lifetime. The land department will soon undertake a detailed title search, as there are irregularities in the title that indicate that other parties may also have some control over the claims.

### RECOMMENDATIONS

In light of the knowledge gained in the past few years on the Hot Springs Model, the Elgin Mine should be considered a very high priority property. The proximity to McLaughlin further enhances properties in this area, since ores or concentrates could probably be shipped to the McLaughlin mill. It is recommended that the land situation be clarified immediately and that permission be obtained from the owners to undertake a one or two day evaluation. When contact is made, the possibility of a lease should be discussed as the property will very likely deserve a detailed evaluation including concept test drilling.

RMH:jmg

RECEIVED JUN 08 1987

*NANCY*

# HUNTER MINING LABORATORY, INC.

994 GLENDALE AVENUE

SPARKS, NEVADA 89431

TELEPHONE: (702) 358-6227

## REPORT OF ANALYSIS

*Bustafson  
Hatch*

Submitted by:

Date: June 02, 1987

Laboratory number: 30632

HOMESTAKE MINING COMPANY  
330 CONEY ISLAND DRIVE  
SPARKS, NEVADA 89431

Analytical Method: Fire AT

Your Order Number: 7537-2

*HATCH, BUSTAFSON COMISA, CO. ELGIN MINE RECON.*

Report on: 18 Samples, pulp

*(3530)*

Sample Mark	Gold oz/ton	Silver oz/ton	Sample Mark	Gold oz/ton	Silver oz/ton
1210AI	0.039	-0.01	1219	-0.001	0.03
1211	0.006	-0.01	1220	0.005	-0.01
1212	0.001	-0.01	1221	-0.001	0.05
1213	0.001	0.01	1222	-0.001	0.84
1214	0.034	-0.01	1223	-0.001	-0.01
1215	0.034	0.01	1224	0.001	-0.01
1216	0.032	-0.01	1225AI	0.001	-0.01
1217	0.013	-0.01	6182AN	0.001	0.04
1218	0.002	-0.01	6183AN	0.026	0.29

HUNTER MINING LABORATORY, INC.

*H. H. Scales*

H. H. Scales *m*

# Attachment H

# Elgin Mine

~~Elgin Mine~~

I Overview

II Location and Access

III Land Status

IV Geology

Regional

Lithologies

Structure

Local

Lithologies

Structure

V Alteration and Mineralization

VI Geochemistry

VII Exploration Potential

VIII ~~Conclusions~~ Recommendations

1981

57

1938

# Elgin Mine

# File Evaluation

①

## Overview

The Elgin mine ~~was~~<sup>is</sup> a small fast producer of mercury and sulfur located approximately 2.5 miles northwest of the Cherry Hill Project, in Colusa County, California. The mineralization ~~is~~<sup>occurs</sup> within a narrow, discrete zone of hydrothermal alteration associated with a hot springs system that is currently active. Homestake first evaluated the property in 1977-78 as part of the regional work around Cherry Hill. ~~After the concept report was completed, the property was abandoned and the project was not pursued.~~ The current involvement with the property is a result of the exploration <sup>program</sup> in the McLaughlin mine region carried out by the Special Projects Group in 1987.

## Location and Access

The Elgin mine is located in the southeast corner of section 13, Township 14 north, Range 6 west, MDBEM. Longitude and ~~latitude~~<sup>latitude</sup> are  $122^{\circ}28'$  and  $39^{\circ}03'30''$  respectively. The property is accessed from State Highway 20 by the Walker Ridge Road, which bears north from the highway at an ~~angle~~

(2)

intersection ~~is~~ approximately .5 mile northeast of the Abbott Mine. To get to the Elgin Mine, take the Walker Ridge Road — miles northwest to a smaller dirt road leading off to the northeast. Follow this road through the gate and ~~the~~ proceed for a total of approximately 1.5 miles to the mine site. Be aware that the new Walker Ridge Road is not shown on <sup>either</sup> the Walker Springs 15', or 7.5' advance sheet topographic maps. The smaller dirt road leading directly to the Elgin consists, in part, of the old ridge road shown on these top. maps. ~~at~~ The intersection with the new road is very close to the common quarter corner of sections 19, ~~and~~ T 14 N, R 5 W and section 24, T 14 N, R 6 W.

### Mining History

Sutter was apparently first discovered ~~in~~ in 1875, ~~but~~ <sup>however</sup> ~~the~~ <sup>although</sup> the subsequent ~~the~~ <sup>reportedly</sup> efforts at production were unsuccessful.

Surface and underground development undertaken late in the 1800's and early in the 1900's resulted in the production of a small amount of mercury. Further attempts to mine mercury during 1917 and 1929 were reportedly unproductive. Jose M. Lucientes, Sr. apparently made an effort to produce mercury during the ~~the~~ <sup>few</sup> months between his



buying the property and his death in April, 1968.

Mine workings include various surface excavations and approximately 500 feet of underground drifts and crosscuts. Portals to the underground workings are caved, and, due to the continuing hot spring activity and soft sulfaterized rocks, the tunnels themselves are probably destroyed. Total mercury production is unknown, however it is unlikely that it exceeded a couple hundred flasks.

### Land Status

The Elgin mine is located principally on a nineteen acre patented mining claim in the southwest ~~quarter~~ quarter of section 13, T14N, R6W. Also considered a part of the Elgin mine is a 4.95 acre patented millsite located east of the lake patent and in the same <sup>quarter</sup> section. These two patented claims are owned by <sup>brothers</sup> Jose M. Lucientes, Jr. and Richard B. Lucientes, however, in a 1983 title report on the property, Mike Person notes that there are three distinct ~~the~~ problems with the titles. The Lucientes additionally own 120 acres in the southern 1/4 of ~~section~~ adjoining section 18, T14N, R5W and 40 acres <sup>comprising</sup> in the northwest 1/4 of the northwest 1/4 of adjoining section 19. ~~Jose~~ Jose and Richard are both

The two patented claims are completely surrounded by property owned by Bonneville Industries (ex-Techel Farms ground) of Sacramento, Calif. and controlled by Homestake as part of the Cherry Hill land package. This property totals 176 acres and includes the remaining portions of the southeast  $\frac{1}{4}$  of section 13, and the entire southeast  $\frac{1}{4}$  of the southwest  $\frac{1}{4}$  of section 13.

Unpatented mining claims have been staked by Western Goldfields Company of Sparks, Nevada, on BLM ground immediately adjacent the Bonneville property. The claims (CL series) were located in ~~the~~ May, 1987, are still valid, and cover the northwest extension of the Elgin Mine mineralized zone.

Two unpatented mining claims, CL 82 and CL 83, owned by Cecil Petray, Clearlake Oaks, California, adjoin the Bonneville property on the north side. These claims were acquired by Petray when Homestake abandoned its ~~early~~ previously held claim block in this area, and they have no impact on the potential target area at ~~the~~ the Elgin Mine.

Homestake's current land acquisition activity involves trying to negotiate a mining lease agreement with the Lucientes brothers. After four years of ~~unsuccessful~~ <sup>unsuccessful</sup> contacting Jose in an effort to <sup>persuade him to</sup> discuss the matter with ~~us~~ us, he finally relented in early 1987 to

talk to ~~the stake~~ about a deal. Negotiations by Jerry Carr went smoothly for a while, but stalled when Jose became increasingly unavailable for discussions. Currently, the negotiations are at a standstill, and it seems possible that a deal may never be reached with the Lucientes.

## Geology

### Regional

The regional geologic setting, which is the same as at Cherry Hill and McLaughlin, basically involves two ~~a~~ essentially coeval late Jurassic to lower Cretaceous sedimentary units which were deposited <sup>separately</sup> on oceanic ~~the~~ basement and then juxtaposed along a major zone of thrust faulting. Breccia, siltstone, shale, and greenstone of the Franciscan Complex have underthrust mudstone, siltstone, sandstone, and conglomerate of the Great Valley Sequence along the north-northwest trending Coast Range <sup>Thrust</sup> ~~fault~~. Serpentine belts, which are interpreted to be the oceanic crust upon which ~~the~~ the Great Valley was deposited, usually forms the hanging wall of that fault. A related thrust fault, called the Stony Creek Fault in this area, forms the contact between the serpentine and the basal Great Valley unit, which is the Knoxville Fm.

A second type of serpentinite, termed "detrital serpentinite", occurs as large exotic blocks within the Knoxville Fm. ~~and~~ which are interpreted to be underwater landslide blocks that came to a rest on the depositional surface of the Knoxville. These serpentinites are characterized by a texture consisting of variable sized clasts of serpentinite (up to large boulders) and smaller clasts of Knoxville mudstone and siltstone in a variably foliated matrix comprised of serpentinite and/or fine grained clastics.

Volcanic rocks belonging to the Quaternary Clearlake Volcanics are on important part of the <sup>regional</sup> geologic setting <sup>immediately</sup> east and southeast of Clearlake, however there are no known volcanic rocks on the surface in the Cherry Hill - Elgin Mine ~~area~~ area. Very young volcanic rocks or an active magma chamber are expected to be at a shallow depth in this area, however, due to the active sulfurous hot spring activity and associated sulfur-mercury-gold mineralization.

Structure in the region is dominated by the above ~~mentioned~~ <sup>northwest trending</sup> Coast Range Fault and Stony Creek Fault, and by folding related to these faulting (subduction) events. In the Cherry Hill - Elgin Mine area, a northwest trending complexly folded zone, termed the Wilbur Springs Structure, creates a prominent structural grain.

	Age ppb	02/10/11	Ag	As	SB	TL ppb
1210	720	.021	<	< 1	4.5	.7
11	110	.003	<	1		.2
12	<		<	1		<.1
13	<		<	5		<
14	570	.017	<	1	5.5	.2
15	580	.017	<	1	3.5	.2
16	480	.014	<	1	1.5	.3
17	260	.008	.1	<		.4
18	20		.2	1		<
19	<		<	<		<
20	100	.003	<	2		<
21	<		<	1		<
22	<		<	1		<
23	20			< 1		.4
24	<			1		.5
25	20			1		.5

Repl.  
6182AN 20

6183AN 390 .01

1.6 7627 #1

18378 -

381

and 1 standard

10-run standard

130 ppb